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resources into commodities and services available for use, labor, capital, management and the community are necessary at every stage and it is the right of all the parties to share progressively in increased productivity through advantages accruing to any one, because this is only a corollary of the right of each to share equitably in the output. Thus extra effort brings extra reward. But the opposition by labor to piece work and scientific management so-called is based on the fear of speeding up and cutting down of the rate. Profit sharing is regarded much in the same way as being made possible by keeping wages within a narrow margin and supplementing the same by dividends from profits. Coöperation has not gone very far in the field of production although quite successful in that of distribution. Profit sharing is applicable to a limited extent but is not a panacea.

The chapter on Principles Underlying Health brings out nothing especially new, but emphasizes the humanitarian aspect of the subject. Two chapters are devoted to Representation in Industry and Government in Industry respectively. It is said: "that form of government in Industry is best which doth actuate and dispose every part and member to the common good." But is the Round Table Conference, joint control, socialism, a system of national guilds, government ownership of only a part of industry, or voluntary coöperation the solution? The principle of the Round Table Conference in the plan of the Colorado Fuel and Iron Company is described at length in the final chapter. The claim is made that the plan must be regarded as something other than an experiment. The Whitley report is likewise described at length. How either scheme will work out time only can tell.

The book is well written, with a wealth of historical allusion, and is permeated with a broad humanitarian spirit. Dr. King, in this book (like some economists at times and most college professors all the time) is primarily a preacher, and his ideals and hopes for industry are at least good enough to come true.

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The Six Hour Day and Other Industrial Questions. By LORD LEVERHULME. With an introduction by the Rt. Hon. Viscount HALDANE OF CLOAN. Edited by STANLEY UNWIN. (London: George Allen and Unwin, Ltd.; New York: Henry Holt and Company. 1919. Pp. 344. \$3.50.)

While the main title of the book is the six-hour day, this subject is treated in two chapters specially written for this book, which cover only thirty-five pages, or but little over one tenth of the book. The remainder of the volume represents a collection of addresses delivered by Lord Leverhulme before a great variety of audiences, such as chambers of commerce, business associations, church gatherings, trade-union conferences, and meetings of his own employees.

Lord Leverhulme is the head of the great house of Lever Bros., Ltd., probably the largest soap manufacturers in the world, with branches all over the globe. Himself a most successful captain of industry, he is singularly free from the shallow notions and short-sighted views so widely held by the average "practical" employer of labor. As the title of the book implies, Lord Leverhulme is an ardent advocate of the six-hour day as the next step in industrial progress. His book is replete with apt illustrations from industrial history showing the progress made by society with each reduction in the hours of labor, as it has gone on from sixteen hours at the beginning of the nineteenth century to the present eight-hour day. "The employer-capitalist," says the author, "must get rid of his infatuation for the error that low wages and long hours of toil for the employee-worker mean cheaper production and consequently higher profits" (p. 11). The author is certain that "not only can we produce, when all ranks and all classes of both sexes are workers for six hours each day, for six days each week, all the ships, machinery, factories, houses, and goods we require both for home requirements and for exchange for raw materials through our export markets, but the houses can be built in beautiful garden suburbs; we can provide adequately for education, mental and physical and military training for national defense" (p. 18). He does not advocate the simultaneous adoption of the six-hour day throughout Great Britain, which he regards "absolutely impossible and impracticable" (p. 18). "It can only be adopted," in Lord Leverhulme's opinion, "in such industries in which it will give lowest costs of production by working machinery for longer hours and humanity in two or more shifts, for fewer hours" (p. 19). This can be done profitably in "all those industries in which the cost of production in overhead charges is equal in amount to the cost of wages." As in most industries the overhead is considerably higher than the wages total, such industries can adopt the six-hour, double shift day "with

enormous gains in cost of production, provided the supply of raw material and of labor is available and the demand for products exists" (p. 19).

By a simple illustration he demonstrates the profitableness of the 72-hour week worked in two shifts of 36 hours each with the neatness and conclusiveness of a theorem in geometry. His illustrations show that even if the productivity of the worker per hour did not increase upon the substitution of the 36-hour for the 48-hour week, the cost of production per unit of product would not increase under the six-hour day owing to the spreading of the overhead costs over a longer period, 72 as against 48 hours. If, however, as may be expected from previous experience, the workers should produce as much in 36 hours as they did before in 48, the author shows a reduction in cost of production of 25 per cent (p. 20).

Most of the addresses of Lord Leverhulme are devoted to exploding economic fallacies which cling so tenaciously to the minds of employers and employees alike. To the former he never tires of reiterating that it is a "fallacy that the lower the wages and the longer the hours worked by labor, the lower the cost of production must be" (p. 117). His labor audiences are constantly reminded of the fact that "ca'canny" practice merely raises the cost of production thereby restricting consumption, reducing demand for labor and raising the cost of living which robs the worker of the benefit of the high wages won for him by trade unions. He does not share the average employer's fear of trade unions and of labor unrest.

The healthiest signs we have got today are labor unrest and all aspirations of labor (p. 274). Trade unions are absolutely necessary, but they might take just one little lesson from their predecessors, the guilds of the fifteenth century, and whilst determined as these guilds were in protecting their members in the maintenance of the standard wage, they should accompany that by an equally strong insistence upon a maximum efficiency in their members. By doing so the fund available for wages would again increase (p. 272).

He constantly refers to the wage fund. However, his wage fund is not the rigid entity of the classical economists but an elastic quantity which is determined by the workman's product.

Whatever increases the product, increases the fund out of which wages are paid . . . you cannot pay wages except from the fund from which wages are produced . . . and therefore every invention, every discovery, every machine, every improved organization, every increase in product, increases the fund available for wages (p. 266).

While vigorously combating socialism, he does not worship the wage system. Like the socialist, he regards it merely as a stage in the progress of society from savagery and slavery (pp. 67-68). But, "the wages system has broken down as a sole and only solution" (p. 117).

The author's solution is copartnership as he has developed it in his works. This insures to the worker participation in the profits of the business, and is "the only possible way of harmonizing capital and labor," and providing "both with the same outlook by dividing the profits their joint labor has created fairly and squarely between them" (p. 119). He believes in the widest measure of democratic representation of employees in the determination of conditions of employment, but holds that the ultimate control of the business must be left in the hands of those who must bear the losses (p. 69).

Economists, employers, and all those interested in the labor problem will find this a most readable volume, replete with information gathered from a rich storehouse of practical experience by an eminently successful captain of industry, reinforced by a close acquaintance with economic theory and industrial history.

N. I. STONE.

The Meaning of National Guilds. By MAURICE B. RECKITT and C. E. BECHHOFFER. (New York: The Macmillan Company. 1918. Pp. xvi, 452. \$2.50.)

Orthodox socialism is suffering at the hands of social revolutionists. The syndicalists leveled their guns against it some time since and now come the guild socialists who not only join in the attack but turn against the assailants as well. The stronghold of the guild exponents is England. The book under review represents an attempt to give a summary exposition of the guild idea which has recently found frequent expression in British periodicals and books.

The demand of the guildsmen is a demand for trade unionism plus; that is, trade unionism extended in personnel to include all the workers within an industry, extended in scope to include complete control over the productive process, and, as well, extended to include all industries that are "susceptible of Guild organization." The issue is thus clearly drawn as against state socialism. Nationalization of industry, it is charged, would merely mean a change of masters with a continuation of wage slavery and its necessary